

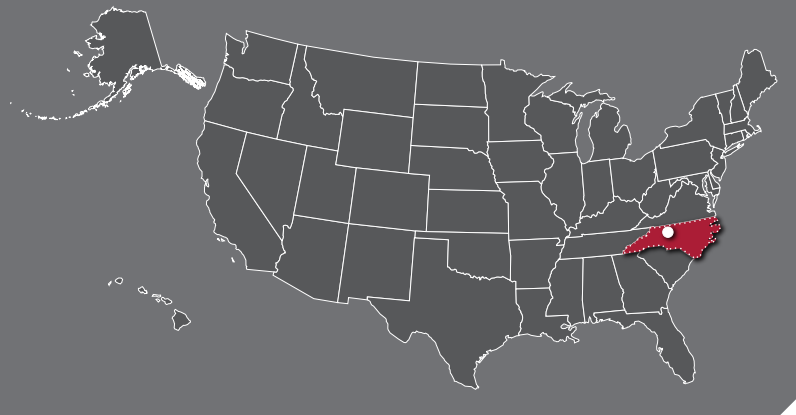
HUD PD&R Housing Market Profiles

Winston-Salem, North Carolina



Quick Facts About Winston-Salem

- Current sales market conditions: balanced
- Current apartment market conditions: balanced
- Winston-Salem is also known as “Camel City” due to its historic role as a hub for the tobacco industry in the United States. The Reynolds Building, the former headquarters for the R.J. Reynolds Tobacco Company, is listed on the National Register of Historic Places and was converted into a hotel and apartment complex in 2016.



By [Pete Komaroski](#) | As of September 1, 2024

Overview

The Winston-Salem, NC Metropolitan Statistical Area (MSA; hereafter, Winston-Salem metropolitan area) includes Davidson, Davie, Forsyth, Stokes, and Yadkin Counties in North Carolina. The Winston-Salem metropolitan area neighbors the Greensboro-High Point, NC MSA to the east, and the two MSAs make up most of the larger region known as the Piedmont Triad.

- As of September 1, 2024, the estimated population of the metropolitan area is 701,300, an average increase of 5,725, or 0.8 percent, annually since 2020. By comparison, from 2015 to 2020, the population increased by an average of 4,350, or 0.7 percent, annually (Census Bureau decennial census counts and population estimates as of July 1).
- Net in-migration averaged 6,300 people a year, accounting for all of the population growth since 2020. Net natural decline averaged 560 people a year during the same period, primarily due to the COVID-19 pandemic. By comparison, from 2015 to 2020, net in-migration and net natural increase averaged 3,820 and 530 people a year, respectively.

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- The population in Forsyth County, where the city of Winston-Salem is located, increased by an average of 3,200, or 0.9 percent, annually from 2010 to 2020, representing approximately 90 percent of all population

growth in the metropolitan area during that period. The populations in Stokes and Yadkin Counties declined during the same period by averages of 0.6 and 0.3 percent, respectively.

Economic Conditions

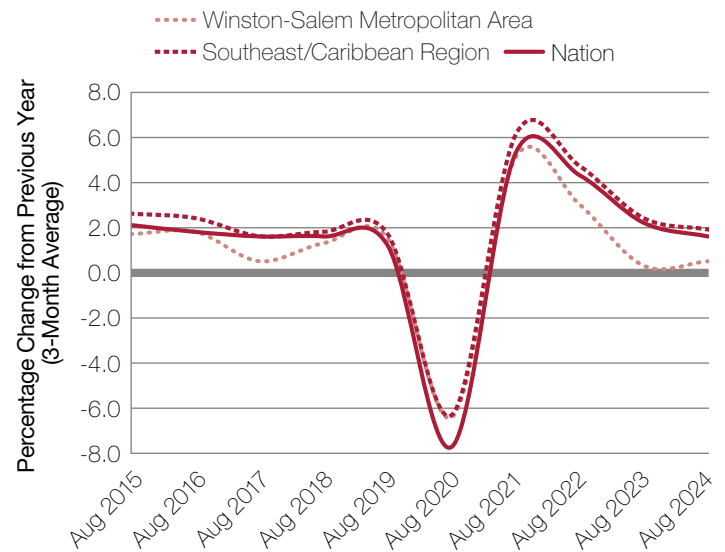
Job growth in the Winston-Salem metropolitan area has slowed since fully recovering all jobs lost during the pandemic-related recession in 2022. As of the three months ending August 2024, nonfarm payrolls increased by 1,400 jobs, or 0.5 percent, from a year ago to 276,200 jobs, following an increase of 0.3 percent the year before. By comparison, nonfarm payrolls in the nation increased 1.6 percent as of the 3 months ending August 2024. In the metropolitan area, only 4 of the 11 sectors—including the professional and business services and the leisure and hospitality sectors—added jobs in the past year.

As of the 3 months ending August 2024—

- Nonfarm payrolls in service-providing sectors increased by a combined 1,700 jobs, or 0.7 percent, from a year ago to 229,600 jobs. However, jobs in six of the nine service-providing sectors decreased in the past year, with the greatest job losses occurring in the transportation and utilities sector.
- Nonfarm payrolls in goods-producing sectors decreased by a combined 200 jobs, or 0.4 percent. Losses in the manufacturing sector offset an increase of 500 jobs in the mining, logging, and construction sector.

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The Winston-Salem metropolitan area has added jobs at a slower rate than North Carolina and the nation since 2022.



Source: U.S. Bureau of Labor Statistics

As of the 3 months ending August 2024, jobs increased in 4 of the 11 nonfarm payroll sectors in the Winston-Salem metropolitan area.

	3 Months Ending		Year-Over-Year Change	
	August 2023 (Thousands)	August 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	274.8	276.2	1.4	0.5
Goods-Producing Sectors	46.9	46.7	-0.2	-0.4
Mining, Logging, & Construction	12.9	13.4	0.5	3.9
Manufacturing	33.9	33.3	-0.6	-1.8
Service-Providing Sectors	227.9	229.6	1.7	0.7
Wholesale & Retail Trade	40.4	40.3	-0.1	-0.2
Transportation & Utilities	10.4	9.6	-0.8	-7.7
Information	1.8	1.7	-0.1	-5.6
Financial Activities	13.8	13.6	-0.2	-1.4
Professional & Business Services	33.7	34.5	0.8	2.4
Education & Health Services	56.5	58.3	1.8	3.2
Leisure & Hospitality	30.3	30.9	0.6	2.0
Other Services	11.1	11.0	-0.1	-0.9
Government	29.8	29.7	-0.1	-0.3
Unemployment Rate	3.6%	4.2%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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- The number of jobs in the education and health services sector increased by 1,800, or 3.2 percent, to 58,300, the largest increase by any sector from a year ago. Education and health services is the largest payroll sector in the metropolitan area.
- The unemployment rate increased to 4.2 percent, up from 3.6 percent a year ago but well below the recent August high of 8.6 percent as of the 3 months ending August 2020.

The education and health services sector represents approximately 21 percent of total nonfarm payrolls in the metropolitan area and is a core component of the local economy. Atrium Health Wake Forest Baptist, the largest employer in the metropolitan area, is regularly ranked as a top hospital in the region and serves more than 2 million patients annually. Wake Forest University, a mid-sized private university in the city of Winston-Salem, employed more than 8,000 full-time faculty and staff during 2023 and had more than 9,000 students enrolled during the 2023–24 academic year. The medical school at Wake Forest University is affiliated with Atrium Health Wake

Forest Baptist, and the two organizations combined bring approximately \$300 million into the area each year in research funding (*Catalyst*, Spring 2023, Wake Forest University School of Medicine). The Innovation Quarter in downtown Winston-Salem is a developing business and research district with an estimated annual economic impact of \$1.6 billion on the metropolitan area. It includes office and lab space for tenants such as Wake Forest School of Medicine as well as apartment buildings.

Largest Employers in the Winston-Salem Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Atrium Health Wake Forest Baptist	Education & Health Services	18,570
Novant Health	Education & Health Services	11,010
Truist Financial Corporation	Financial Activities	4,000

Note: Excludes local school districts.

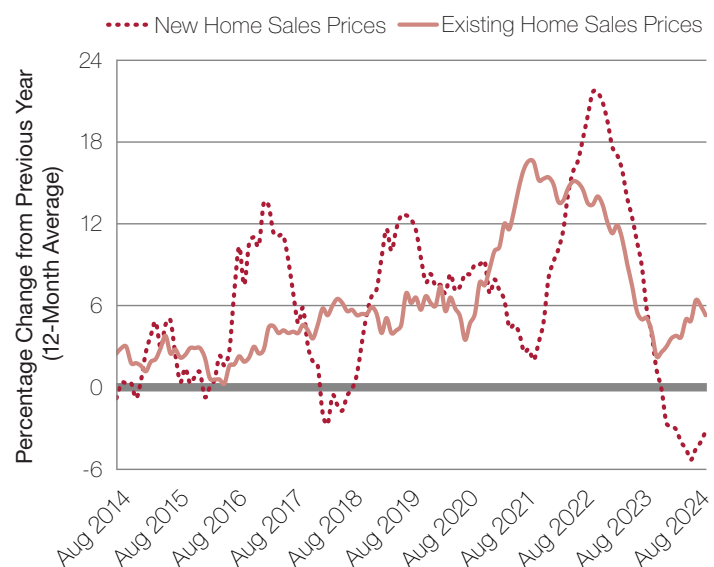
Source: Greater Winston-Salem, Inc.

Sales Market Conditions

The home sales market in the Winston-Salem metropolitan area is balanced after easing from tight conditions in 2021 and 2022. Elevated levels of net in-migration since 2020 partly contributed to higher demand as buyers sought cheaper homes when compared with homebuyers nationally. In 2019, the average home sales price in the Winston-Salem metropolitan area was \$175,600, well below the national average home price of \$284,700 (CoreLogic, Inc.). Since 2022, home sales have declined, and growth in average home prices has slowed as interest rates have risen, leading to higher costs of homeownership and making current homeowners more reluctant to sell their homes. During the 12 months ending August 2024, the average new and existing home price in the metropolitan area increased 3 percent to \$261,400, following a 7-percent increase during the previous 12 months. Home sales decreased to 12,250, a decline of 13 percent from 14,000 a year ago, compared with 17,000 during the 12 months ending August 2022. In August 2024, 2.8 months of for-sale inventory were available, up from 1.8 months in August 2023 and 1.6 months during August 2022. The homeownership rate in the metropolitan area was estimated at 66.6 percent as of September 1, 2024, up slightly from 66.5 percent as of April 1, 2020.

- During the 12 months ending August 2024, the average price for new homes was \$340,600, down 3 percent from \$351,700 a year ago (CoreLogic, Inc., with adjustments

New home sales prices in the Winston-Salem metropolitan area fell sharply in the past year after increasing the year before.



Note: Data include new and existing single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

by the analyst). By comparison, from 2020 through 2022, the average price for new homes grew an average of 11 percent annually.

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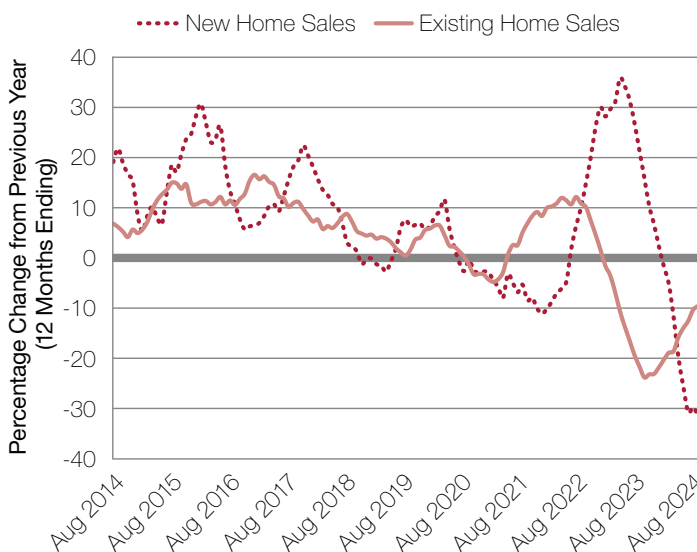
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- The average price for existing homes increased 5 percent to \$251,800 during the 12 months ending August 2024, up from \$239,200 during the same period a year ago. From 2020 through 2022, the average price for existing homes grew an average of 12 percent annually.
- During the 12 months ending August 2024, new home sales decreased 31 percent to 1,325 from 1,925 a year ago. During the same period, existing home sales decreased 10 percent to 10,900 from 12,050 a year ago.
- The percentage of home loans in the metropolitan area that were seriously delinquent or in real estate owned status was 1.0 percent in August 2024, up slightly from 0.9 percent a year ago but below a recent high of 4.2 percent in August 2020.

New home construction in the metropolitan area generally increased during the previous decade in response to higher demand. Since 2020, higher population growth in the area has led to elevated levels of new home construction, increasing during the 12 months ending August 2024 after slowing slightly the year before as interest rates started to rise.

- During the 12 months ending August 2024, 3,900 single-family homes were permitted, up 11 percent from 3,525 homes permitted during the previous 12 months (preliminary data).

Total home sales in the Winston-Salem metropolitan area declined during the past year.

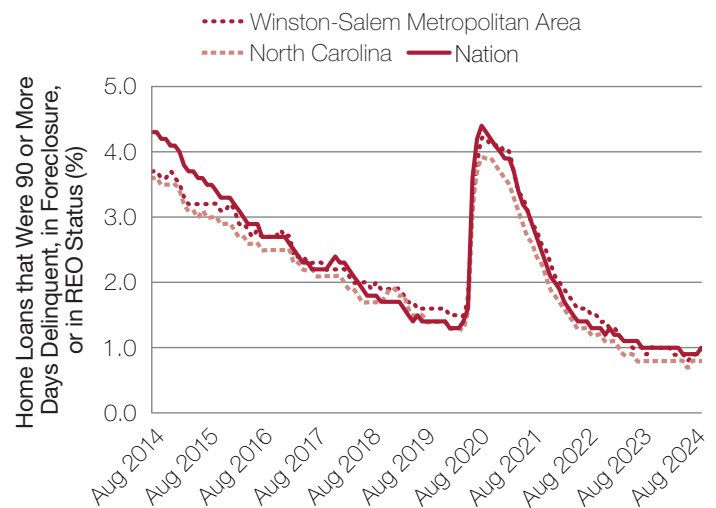


Note: Data include new and existing single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

- From 2020 through 2022, an average of 4,000 units were permitted annually, the highest average for a 3-year period in the metropolitan area since an average of 4,550 units were permitted annually from 2005 through 2007.
- From 2015 through 2019, single-family permitting increased from 1,600 to 3,150, or an average of 15 percent a year.

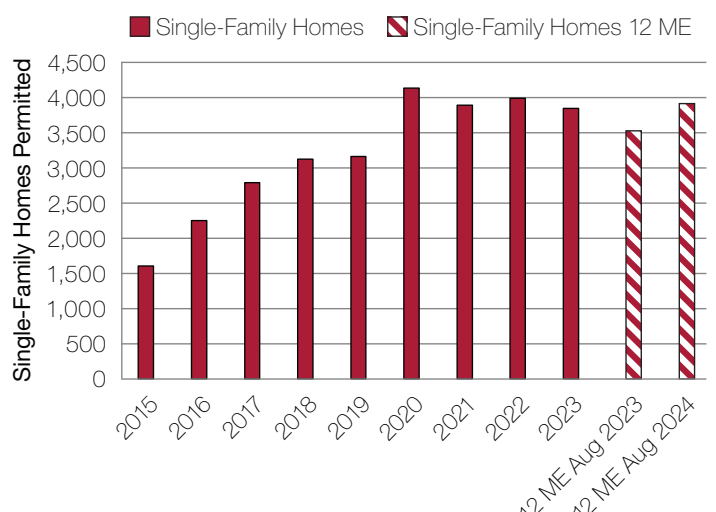
The delinquency rate in the Winston-Salem metropolitan area during August 2024 was the same as the national rate and 0.2 percentage point above the rate in North Carolina.



REO = real estate owned.

Source: CoreLogic, Inc.

Sales permitting activity in the Winston-Salem metropolitan area has been elevated since 2020.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Apartment Market Conditions

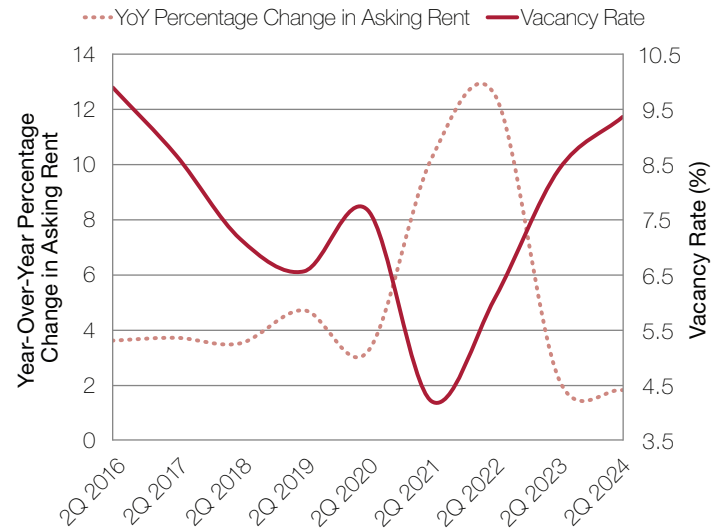
Apartment market conditions in the Winston-Salem metropolitan area are currently balanced. Strong renter household growth contributed to declining apartment vacancy rates through the late 2010s, but increased apartment construction in recent years has led to an increase in vacancy rates during the past year as new units entered the market.

- The overall apartment vacancy rate, including units in lease up, was 9.4 percent as of the second quarter of 2024, up from 8.4 percent a year ago and a recent second-quarter low of 4.2 percent as of the second quarter of 2021 (CoStar Group). The stabilized vacancy rate, not including units in lease up, was 7.1 percent as of the second quarter of 2024, down from 7.4 percent a year ago.
- The average apartment rent as of the second quarter of 2024 was \$1,205, up 2 percent from \$1,184 a year ago. From the second quarter of 2020 to the second quarter of 2022, average apartment rents in the area increased from \$934 to \$1,158, or an average of 11 percent annually; however, rent growth slowed to 2 percent from the second quarter of 2022 to the second quarter of 2023.
- Of the approximately 34,900 CoStar Group-surveyed apartment units in the metropolitan area, approximately 90 percent are located in Forsyth County. The apartment vacancy rate for those units was 9.6 percent, and the average apartment rent was \$1,225 as of the second quarter of 2024.
- Approximately 7 percent of the total apartment units in the metropolitan area are in Davidson County, which is the second most populous county in the metropolitan area and includes the cities of Thomasville and Lexington. The apartment vacancy rate for those units was 6.2 percent, and the average apartment rent was \$1,100 as of the second quarter of 2024.

After low levels of building activity from 2019 through 2022, rental construction, as measured by the number of units permitted, in the Winston-Salem metropolitan area spiked in 2023 in response to continued strong renter household growth during and after the pandemic. Elevated levels of rental construction since 2023 represent a recent high in rental construction for the area.

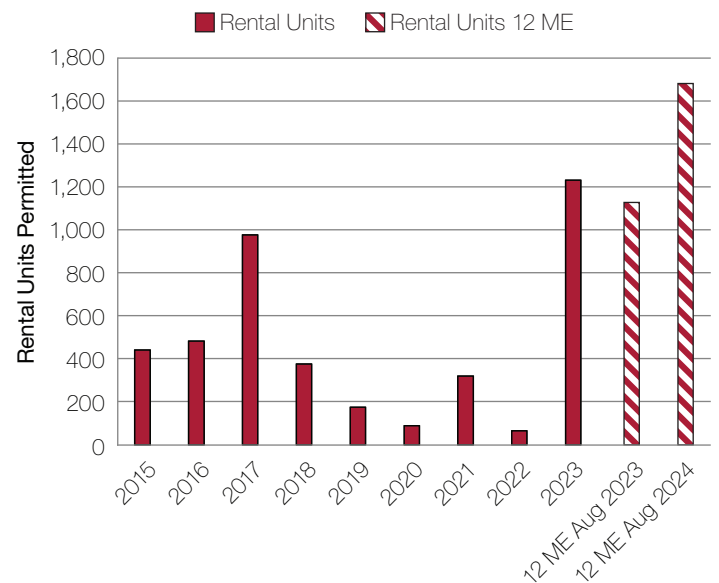
- Rental construction increased to 1,675 units permitted during the 12 months ending August 2024, up 49 percent from 1,125 units permitted during the previous 12 months (preliminary data). An estimated 1,050 rental units are under construction in the metropolitan area.

The apartment vacancy rate and average apartment rent in the Winston-Salem metropolitan area have increased in the past year.



2Q = second quarter. YoY = year-over-year.
Source: CoStar Group

Rental permitting activity in the Winston-Salem metropolitan area has been elevated since 2023.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

- During 2023, 1,225 rental units were permitted, the highest number for the metropolitan area since 1986, when 1,975 rental units were permitted.

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- From 2018 through 2022, an average of 200 rental units were permitted each year, the lowest average for a 5-year period on record in the area. That figure includes only 65 units permitted during 2022, a record low for the metropolitan area.
- The majority of recent apartment construction has been concentrated in the city of Winston-Salem, which has accounted for approximately 68 percent of all units completed in the metropolitan area since 2010.
- One example of a recently completed development in the city of Winston-Salem is the 224-unit Link Apartments® 4th Street, which offers rents starting at \$1,537 and \$1,859 for one- and two-bedroom units, respectively.

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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